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THIRD CONFERENCE ON THE LAW OF THE SEA

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Union of Soviet Socialist Republics: working document on the basic provisions of the rules and conditions governing the evaluation and exploitation of the mineral resources of the sea-bed beyond the limits of the continental shelf -- provisions which should form an integral part of the Law of the Sea Convention

(This document is not exhaustive and does not represent the USSR delegation's final position on this question. The delegation of the USSR may, during the course of the discussions, clarify, supplement and amend the articles contained in this document.)

Article 1. Definitions

1. "Prospecting" means the conduct of geophysical and geological work in order to discover the mineral resources of the sea-bed with a view to their evaluation and exploitation. Prospecting includes geological surveys of the surface of the sea-bed, geophysical research by various methods, the collection of rock and sediment samples, shallow drilling (up to ... m), laboratory research, the compilation of geological and other special maps and sections, as well as the performance of other necessary operations to determine the presence of minerals. Prospecting does not cover drilling to a depth of more than ... m, the sinking of shafts, trenching and other major mining development work connected with evaluation, or the collection of bulk samples of over ... t or ... m³ in the case of category I mineral resources in accordance with article 4, ... t or ... m³ in the case of category II mineral resources, ... t or ... m³ in the case of category III mineral resources and ... t or ... m³ in the case of category IV mineral resources.

2. "Evaluation" means work carried out by various methods, including deep drilling, the performance of various types of mining development work, including major work, sea-bed dredging and the collection of bulk samples by various other methods (up to ... t or ... m³ in the case of category I mineral resources in accordance with article 4, up to ... t or ... m³ in the case of category II mineral resources, up to ... t or ... m³ in the case of Category III mineral resources, or up to ... t or ... m³ in the case of category IV mineral resources, and the performance of other necessary operations to locate industrial deposits of minerals, to identify and document the nature, stratification, concentration, content and reserves of the mineral constituent, to determine possibilities and methods of extracting the mineral constituent, and to obtain all the other data required to evaluate possibilities of exploiting the mineral deposit (deposit of mineral raw material).

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3. "Exploitation" means the performance of a series of operations for the recovery of minerals (mineral resources) from the sea-bed for industrial or commercial purposes.

4. "Prospecting area" means an area of the sea-bed within which States Parties to this Convention, or a group of States Parties to this Convention or the International Sea-Bed Organization itself have the right to engage in prospecting in accordance with these rules, and which must have definite boundaries, specified in the prospecting permit issued by the International Sea-Bed Organization.

5. "Sector of the sea-bed" means an area of the sea-bed in which a State Party to this Convention, a group of States Parties to this Convention or the International Sea-Bed Organization itself are engaged in the evaluation and exploitation of the mineral resources of the sea-bed on the basis of a contract, in accordance with the Convention, the present rules and the provisions of the contract.

Article 2. Prospecting

1. A State Party to this Convention (hereinafter called "State Party") or a group of States Parties to this Convention (hereinafter called "group of States Parties"), the natural or juridical persons under their jurisdiction and also the International Sea-Bed Organization shall have the right to prospect for minerals on the sea-bed beyond the limits of the continental shelf in accordance with the provisions of this Convention and these rules.

2. For the purpose of prospecting, an application for a prospecting permit must be submitted to the International Sea-Bed Organization. If the prospecting is to be conducted by natural or juridical persons, the application shall be submitted on behalf of such persons by the State Party having jurisdiction over them.

3. The application referred to in paragraph 2 must contain an indication of the boundaries of the area in which prospecting is to be carried out and also a description of the methods and equipment which are to be used in prospecting and in preventing the pollution of the marine environment.

4. The International Sea-Bed Organization shall acknowledge receipt of the application by issuing a prospecting permit in the area in question. A number of permits may be issued simultaneously to different States Parties in respect of one and the same area. For the issue of a permit, the International Sea-Bed Organization shall charge a single registration fee in the amount of dollars to cover its administrative expenses.

5. The issue of a permit must not be subject to any conditions other than those contained in this Convention or in the present rules.

6. The International Sea-Bed Organization may not refuse to issue a prospecting permit except in the following cases:

(a) if the area for which a prospecting permit is applied for is situated:

- within the boundaries of sectors of the sea-bed for which evaluation or exploitation contracts have already been awarded;

- within the boundaries of sectors of the sea-bed which have been reserved for evaluation and exploitation by the International Sea-Bed Organization itself;

- within the boundaries of sectors and regions which have been declared by the Council of the International Sea-Bed Organization to be closed for evaluation and exploitation so as not to interfere with navigation, etc.;

(b) if the prospecting methods and equipment used by the applicant are likely to create a risk of pollution of the marine environment in excess of the internationally established standards, or to endanger commercial or other useful types of ichthyofauna.

7. The validity of the permit shall expire automatically if the International Sea-Bed Organization awards an evaluation and exploitation contract to another State Party or group of States Parties in the area for which the permit was issued, or if this area falls within a sector reserved for evaluation and exploitation by the International Sea-Bed Organization itself.

8. The International Sea-Bed Organization may deprive a State Party and, through that State Party, the natural or juridical persons under its jurisdiction, of the right to engage in prospecting if the prospecting operations of the latter are in flagrant and persistent violation of the provisions of this Convention and these rules, or if such prospecting leads to the pollution of the marine environment in excess of internationally established standards or to the large-scale destruction of commercial and other useful types of ichthyofauna.

9. The prospecting permit shall be valid for [4] years and may be extended for a further [3] years at the request of the State Party.

10. A prospecting permit shall not confer any preferential right to obtain an evaluation and exploitation contract in any area.

EVALUATION AND EXPLOITATION

Article 3. Contracts. General provisions

1. Any State Party to this Convention (hereinafter called "State Party") or group of States Parties to this Convention (hereinafter called "group of States Parties"), without discrimination shall have the right to evaluate and exploit the mineral resources of the sea-bed beyond the limits of the continental shelf through the conclusion, with the International Sea-Bed Organization, of a contract or agreement for evaluation and exploitation, hereinafter called "contract".

2. Only States Parties or groups of States Parties shall have the right to conclude evaluation and exploitation contracts.

3. In the case of a group of States Parties, one of the States Parties of the group shall be appointed as representative of the group to represent its interests in the International Sea-Bed Organization, to conclude the contract on behalf of the other members of the group, and to be responsible to the International Sea-Bed Organization for the activities of all members of the group connected with the evaluation and exploitation of the mineral resources of the sea-bed under contract.

4. States Parties or groups of States Parties which have concluded a contract may either themselves engage in the evaluation and exploitation of the mineral resources of the sea-bed as provided for in the contract or they may transfer their rights to engage in such activities to natural or juridical persons under their jurisdiction by the conclusion of a sub-contract. In this case, the States Parties which have concluded

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the contract with the International Sea-Bed Organization shall remain responsible for compliance with the provisions of the contract and with other obligations connected with the evaluation and exploitation of mineral resources pursuant to the Convention and these rules.

5. States Parties or groups of States Parties which have concluded a contract may not transfer their rights to evaluate and exploit the mineral resources of the sea-bed under such contracts to other States Parties or groups of States Parties without the agreement of the International Sea-Bed Organization which awarded the contracts.

6. The procedure governing the award of sub-contracts, as well as the decision as to which of the natural or juridical persons under the jurisdiction of States Parties is to perform the work on the basis of the sub-contract, are matters which fall within the competence of the State Party which concluded the contract.

Work performed under sub-contract must be carried out in accordance with the provisions of this Convention and these rules, with the terms of the contract, and with the domestic legislation of the State Party which awarded the sub-contract.

Article 4. Categories of mineral resources

Contracts for evaluation and exploitation may be concluded for the following four categories of mineral resources:

Category I - Liquid or gaseous substances such as petroleum, gas, condensate, helium, nitrogen, carbon dioxide, water, steam, hot water, and also sulphur and salts extracted in liquid form in solution;

Category II - Useful minerals occurring on the surface of the sea-bed or at depths of less than [3] m below the surface, and also concretions of phosphorites and other minerals;

Category III - Solid minerals in the ocean floor at depths of more than [3] m from the surface;

Category IV - Ore-bearing silt and brine.

Article 5. Reservation of sectors for evaluation and exploitation by the International Sea-Bed Organization itself. General provisions

1. The mineral resources of the sea-bed may be evaluated and exploited by the International Sea-Bed Organization itself, which may reserve sectors of the sea-bed for evaluation and exploitation with its own means.

2. The International Sea-Bed Organization may reserve, for evaluation and exploitation with its own means and resources, not more than ... per cent of the total area of the sea-bed which is open for evaluation and exploitation by States Parties under contract.

3. The International Sea-Bed Organization may not reserve for itself large separate regions of the sea-bed (for example, the sea-bed of individual seas or parts of the ocean, etc.).

In each area of the sea-bed in which the International Sea-Bed Organization reserves sectors of the sea-bed for itself, sectors must be allocated for evaluation and exploitation by States Parties under contract.

In each area of the sea-bed in which any State Party receives a sector for evaluation and exploitation under contract with the International Sea-Bed Organization, sectors may also be reserved for evaluation and exploitation by the Organization with its own means.

4. The ratio between the aggregate area of the sectors open for evaluation and exploitation by States Parties and the aggregate area of sectors reserved for the International Sea-Bed Organization in the sea-bed areas mentioned in paragraph 3 shall not exceed the ratio specified in paragraph 2 of this article.

Article 6. Conditions for awarding contracts

As a necessary condition for the award of a contract for evaluation and exploitation, a State Party or groups of States Parties applying for a contract must agree:

- to comply with and take all measures to guarantee, in the sector to which the contract relates, freedom of sea and air navigation, freedom of fishing and scientific research and freedom to lay new and maintain existing underwater cables and pipelines;
- to comply with the provisions of the Convention, with the relevant principles and rules and with the additional regulations, instructions and directions of the International Sea-Bed Organization, adopted in accordance with the Convention;
- to guarantee to conserve the biological resources of the sea and to take effective measures to prevent pollution of the sea-bed and the marine environment in accordance with internationally established rules.

Article 7. Procedure for awarding contracts to States Parties and for reserving sectors of the sea-bed for the International Sea-Bed Organization

1. Once [every year] [every two years], the International Sea-Bed Organization shall announce that it is inviting applications for evaluation and exploitation. The time and duration of the application period shall be fixed by the Council of the International Sea-Bed Organization.

Before the beginning of the application period, the International Sea-Bed Organization shall announce which sectors of the sea-bed it wishes to reserve for evaluation and exploitation with its own means, for specific categories of mineral resources.

Throughout the application period States Parties or groups of States Parties may submit applications for contracts from the International Sea-Bed Organization, which shall publish such applications within ... days after it has received them.

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Each application shall contain an indication of the exact location and boundaries of the sector in which the applicant wishes to conduct evaluation and exploitation, and of the category of mineral resources for the evaluation and exploitation of which the contract is to be concluded.

2. Within ... days after the conclusion of the application period, the International Sea-Bed Organization shall conclude the contracts, shall officially confirm the reservation of sectors of the sea-bed for evaluation and exploitation with its own means, and shall publish the location and boundaries of sectors for which contracts have been concluded and the location and boundaries of sectors which it has reserved for itself.

3. In the case of sectors to which rights under a contract have been renounced, or for which the period of the contract has expired or the contract has been annulled, the customary procedure for awarding contracts shall be extended into the next application period.

4. If during one and the same application period more than one application is made for the evaluation and exploitation of one and the same category of mineral resources within the limits of one and the same sector or within the limits of two sectors whose areas overlap each other, consultations with a view to solving the problem by agreement shall be held between the States Parties which have submitted the applications.

5. The International Sea-Bed Organization, in the person of its [Exploitation Committee] [.....], shall make every effort to secure agreement on the matter and, if it fails to do so, it shall submit the competing applications for consideration by the Council, together with its own recommendations regarding the conclusion of a contract for the disputed sectors.

6. The Council shall, within ... days after the receipt of these applications, consider them and announce its decision which must be taken in the light of a number of circumstances such as:

- the importance of the contract in question for each of the Parties in dispute, preference being given to developing countries if their economic development will to a certain extent depend on their obtaining the contract;
- the proximity of the sectors or blocks, for which the contract is to be concluded, to the coasts of the States concerned;
- the number of contracts already obtained by the States Parties in dispute in the region in question or in other regions;
- the degree of effectiveness of the measures planned to prevent pollution of the marine environment, etc.

7. If it should prove impossible to solve the dispute on an equitable basis, the Council may solve it by drawing lots.

Article 8. Size of the sectors

1. The boundaries of the sectors for which contracts are awarded shall be established along meridians and parallels according to the grid system selected for each category of mineral resources by the Council of the International Sea-bed Organization on the recommendation of the [Exploitation Committee] [...].

For one and the same category of mineral resources the sectoral grid and also the size of the sectors in different regions may differ depending on the geographical location, the ecological features of the marine environment of the region concerned, and the configuration and total area of the region of the sea-bed open for exploitation.

Within the limits of a single region of the sea-bed, the dimensions and shape of sectors open for applications shall be identical.

2. The International Sea-Bed Organization may not reserve for itself sectors of the sea-bed of arbitrary shape and size. In each region it shall use the same sectoral grid system as it used in that region for the conclusion of contracts with States Parties - in other words, within each region the International Sea-Bed Organization may reserve for itself one or more sectors of the same size and shape as those allocated in the same region for evaluation and exploitation under contract.

3. (a) Sectors intended for the evaluation and exploitation of mineral resources of category I by States Parties under contract or by the International Sea-Bed Organization itself shall not exceed 400 km² in area;

(b) Sectors intended for the evaluation and exploitation of mineral resources of category II by States Parties under contract or by the International Sea-Bed Organization itself shall not exceed 30,000 km² in area;

(c) Sectors intended for the evaluation and exploitation of mineral resources of category III by States Parties under contract or by the International Sea-Bed Organization itself shall not exceed 200 km² in area;

(d) Sectors intended for the evaluation and exploitation of mineral resources of category IV by States Parties under contract or by the International Sea-Bed Organization itself shall not exceed 200 km² in area.

4. Contracts may be concluded for sectors of the sea-bed of an area less than the maximum size indicated in paragraph 3 for each category of mineral resources.

5. The dimensions and shape of sectors of the sea-bed used for evaluation and exploitation by States Parties and by the International Sea-Bed Organization itself, the location of these sectors in relation to one another and also the number of sectors in any given region of the world's oceans shall be such that these sectors (including also the spaces between them) shall not together form a belt cutting across maritime zones through which the vessels of States that have no coastal strip on the Atlantic, Pacific or Indian Oceans make their way out into the waters of these oceans or on to the international sea lanes crossing them.

The above provision shall apply also to the number and location of installations established for evaluation and exploitation by States Parties and by the International Sea-Bed Organization.

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6. Sectors intended for evaluation and exploitation in any region of the sea-bed beyond the limits of the continental shelf by any State Party or group of States Parties under contract, or by the International Sea-Bed Organization, shall not form a continuous sector or belt:

- more than ... km² in area and more than ... km long in the case of mineral resources of category I;
- more than ... km² in area and more than ... km long in the case of mineral resources of category II;
- more than ... km² in area and more than ... km long in the case of mineral resources of category III;
- more than ... km² in area and more than ... km long in the case of mineral resources of category IV.

Article 9. Number of contracts which may be
awarded to a State Party

1. The number of contracts which a State Party may obtain shall be limited in respect of each category of mineral resources.

2. The number of contracts which may be awarded to one State Party in respect of each category of mineral resources shall not depend on the geographical location of the State Party or on the size of its territory and population and other factors but shall be such that the aggregate area of the sea-bed allocated to a single State Party under contract shall not exceed:

- ... km² in the case of category I;
- ... km² in the case of category II;
- ... km² in the case of category III;
- ... km² in the case of category IV.

3. The number of contracts for evaluation and exploitation which are awarded to a single State Party during any one application period shall be limited, and shall be such that the aggregate area of the sectors of the sea-bed allocated to a single State Party during one application period shall not exceed:

- for mineral resources of category I - ... km²;
- for mineral resources of category II - ... km²;
- for mineral resources of category III - ... km²;
- for mineral resources of category IV - ... km².

4. For regions of the sea-bed which offer good prospects for the discovery of specific useful minerals, the International Sea-Bed Organization may establish a maximum area for sectors or blocks for exploitation under contract and may also

establish a maximum number of contracts which any one State Party may receive in the region concerned. The aggregate area of the sectors reserved for evaluation and exploitation by the International Sea-Bed Organization itself in these regions shall not amount to more than per cent of the area for which contracts may be awarded.

Article 10. Number of contracts which may be awarded
to a group of States Parties

1. The number of contracts which any group of States Parties may obtain shall be limited in respect of each category of mineral resources.
2. When contracts are concluded with a group of States Parties, the State Party in whose name the contract is awarded shall be specified.
3. The number of contracts concluded with a group of States Parties may not exceed the total number of contracts which the States Parties of the group could obtain if they were to conclude contracts separately in accordance with article 9.

Article 11. The rights of States Parties under contract

1. A contract for evaluation and exploitation shall give a State Party or group of States Parties an exclusive right to evaluate and exploit one specific category of mineral resources only, within the limits of a specific sector and for a fixed period.
2. The right to undertake deep drilling for the purpose of evaluation and exploitation shall be granted only on the basis of a contract for the exploitation of mineral resources of categories I and IV.
3. The exclusive right to evaluate and exploit mineral resources under contract shall mean that no other State Party or group of States Parties or natural or juridical persons under their jurisdiction, nor the International Sea-Bed Organization itself, shall have any rights to engage in the prospecting, evaluation or exploitation of mineral resources of the same category in the sector for which the contract has been concluded with the State Party concerned in respect of a given category of mineral resources.
4. For one and the same sector of the sea-bed, the International Sea-Bed Organization may conclude contracts with different States Parties or with different groups of States Parties for different categories of mineral resources. In such cases a State Party or group of States Parties concluding a later contract shall be under an obligation not to obstruct or interfere with the activities of the operator who was the first to conclude a contract for work in the given area on mineral resources of another category.

The International Sea-Bed Organization itself shall be under the same obligation if it wishes to reserve for itself a sector in respect of which a contract or contracts have already been concluded for other categories of mineral raw materials.

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Article 12. Duration of contracts

1. The period of validity of contracts in respect of all categories of mineral resources shall be [30] years from the date of the conclusion of the contract, except in cases where, in accordance with the terms of this Convention or the present rules, no provision is made for forfeiture of the rights, termination of the contract, renunciation of the rights, or extension of the period of the contract.
2. The right to evaluate and exploit mineral resources in the same sector may be renewed, at the request of the State Party or group of States Parties engaged in evaluation and exploitation under contract, for an additional period of [20] years in accordance with the rules, regulations and requirements in effect at the time.
3. At the end of the contract period or of a renewal period granted at the request of the State Party concerned, the sector shall automatically revert to the sea-bed area open for applications for evaluation and exploitation rights under contract, or for reservation by the International Sea-Bed Organization in accordance with these articles.
4. If evaluation or exploitation in a sector for which a contract had been awarded is suspended for reasons beyond the control of the State Party or group of States Parties carrying out the activities, the duration of the contract shall be extended by the period of time for which the work was suspended for the said reasons.

Article 13. Obligations in regard to the conduct of the work

1. In order to avoid the "freezing" of sectors in respect of which a contract has been awarded and to ensure diligence in the evaluation of mineral resources in those sectors, a State Party or group of States Parties obtaining a contract shall be required to spend on such evaluation annually a minimum amount, which shall be specified in the contract and which may not be less than the figure indicated for each category of mineral resources in paragraph 2 of this article.
2. The minimum amount to be spent annually on evaluation for each category of mineral resources in each sector of maximum size for which a contract has been awarded shall be:

Years	Category I \$	Category II \$	Categories III and IV \$
1- 2	100,000	100,000	60,000
3- 5	150,000	120,000	100,000
6-10	200,000	150,000	150,000
11-15	250,000	300,000	250,000
16-20	300,000	350,000	300,000
21-25	400,000	500,000	400,000
26-30	800,000	1,000,000	800,000

3. The obligations referred to in paragraphs 1 and 2 of this article shall cease on the commencement of exploitation and, if evaluation or exploitation in the sector concerned is suspended for reasons beyond the control of the State Party or the group of States Parties, they shall be waived for a period equal to the time for which the work was suspended for the said reasons.

4. The said expenditure shall include expenditure on the construction of structures and installations on land, the purchase and manufacture of the requisite equipment, transport connected with evaluation and the construction of means of communications and transport in the sector for which the contract was awarded, and also the cost of measures to prevent marine pollution.

5. Expenditure incurred by the State Party or group of States Parties in excess of the amounts required by paragraph 2 of this article may be credited to the expenditure requirement for the subsequent year or years.

Article 14. Reporting and notification

1. A State Party or group of States Parties engaged in evaluation and exploitation under contract shall regularly, and at least once [a year], submit a report to the International Sea-Bed Organization concerning evaluation and exploitation. The report shall contain such information as will enable the Organization to perform its functions with regard to contracts in accordance with the provisions of this Convention and the present rules, and also any information required by the contract.

2. The International Sea-Bed Organization shall guarantee that the information supplied will not be divulged or used to the detriment of the party carrying out the work.

Article 15. Inspection and monitoring

1. The International Sea-Bed Organization may inspect and monitor evaluation and exploitation operations carried out on the sea-bed by a State Party or group of States Parties under contract, to ensure that such operations are carried out in accordance with the Convention and these rules, and also with the terms of the contract.

Article 16. Exclusion of unpromising areas

1. After the commencement of exploitation, part of the sector in respect of which a contract has been awarded, or which has been reserved for the International Sea-Bed Organization, shall be returned to the Organization for the award of further contracts or for re-reservation for evaluation and exploitation by the Organization with its own means in accordance with the procedure laid down in article 5.

2. The size of the portion returned shall be:

- for category I mineral resources, at least [50 per cent] of the original area of the sector;
- for category II mineral resources, at least [50 per cent] of the original area of the sector;
- for category III mineral resources, at least [70 per cent] of the original area of the sector;
- for category IV mineral resources, at least [60 per cent] of the original area of the sector.

3. States Parties or groups of States Parties concluding contracts may, after beginning exploitation, renounce their rights in and relinquish a larger portion of the sector than that specified in paragraph 2.
4. The relinquished portion shall be rectangular and adjacent to one of the four sides of the original sector.
5. The relinquishment requirement shall not apply to sectors with an original area of:
 - in the case of category I mineral resources, less than [50 per cent] of the maximum size;
 - in the case of category II mineral resources, less than [50 per cent] of the maximum size;
 - in the case of category III mineral resources, less than [30 per cent] of the maximum size;
 - in the case of category IV mineral resources, less than [40 per cent] of the maximum size.

6. Relinquished portions may be freed for applications for further contracts or for re-reservation for the International Sea-Bed Organization in accordance with the procedure laid down in article 7.

Article 17. Contract fees and assessments and payments
in connexion with exploitation

1. A contract fee shall be payable by the State Party or group of States Parties obtaining a contract in accordance with the provisions of this Convention and the present rules.

The contract fees shall be used to defray the administrative expenses of the International Sea-bed Organization or the cost of evaluation and exploitation of the mineral resources of the sea-bed by its own means.

The fee for a contract for evaluating and exploiting mineral resources of all categories in a sector of the maximum size permitted under article 8, paragraph 3, shall not exceed \$...

2. After beginning exploitation the contractor shall pay the International Sea-bed Organization annually [an exploitation assessment] comprising:

- for category I, ... per cent of the gross value of the minerals in situ based on prices officially adopted by the Organization for the period in question;
- for categories II, III and IV, ... per cent of the gross value of the minerals in situ based on the prices of ores or concentrates with the lowest metal content compatible with economic exploitation.

Note: It might also be possible to work out a scale of exploitation assessments, with allowances for environmental conditions, geographical factors, depth, deposit size and metal content, to encourage exploitation in areas with unfavourable geographical conditions, e.g. marginal useful content, etc.

3. Where evaluation and exploitation are suspended for reasons beyond the control of the State Party or group of States Parties carrying out that work, contract fees and exploitation assessments shall not be payable for the time during which the work was suspended for the said reasons.

Article 18. Renunciation of rights

1. States Parties or groups of States Parties engaged in activities under contract may at any time renounce their rights to the whole of the sector in respect of which they have been awarded a contract.

2. In the event of renunciation of contract rights, fees paid by the State Party or group of States Parties to the International Sea-bed Organization for the award of the contract shall not be reimbursed, except in cases where the renunciation is due to the fact that further evaluation and exploitation in the area covered by the contract has become impossible or undesirable because of the failure of other States Parties or of the International Sea-Bed Organization itself to comply with the terms of this Convention or the present rules, or because of other circumstances beyond the control of the party conducting the work.

Article 19. Forfeiture of rights

1. A State Party or group of States Parties may be deprived of evaluation and exploitation rights before the expiry of their contract if:

- the provisions of this Convention and the present rules or the terms of the contract are not complied with;
- if the State Party conducting work under contract is excluded from membership of the United Nations or of the International Sea-bed Organization;
- if, in the opinion of the United Nations Security Council, the operations on the sea-bed constitute a threat to peace and international security;
- if a situation has arisen in which the sea-bed area in respect of which a contract has been awarded is to be declared by the Council of the International Sea-bed Organization to be closed to evaluation and exploitation in accordance with article ...;
- if the party conducting the work does not submit to the International Sea-bed Organization the documentary material and information required by these rules, or if it emerges that the material furnished is not in accordance with the facts or information obtained in the course of the work;
- if the party carrying out the evaluation and exploitation uses technical means and methods which threaten to pollute the marine environment and endanger the preservation of the biological resources of the sea and if, after a first warning by the International Sea-bed Organization, the party has taken no action to stop the use of such means and methods;

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- if the inspection and monitoring provided for in article 15 of these regulations reveals that the party conducting the work is violating internationally accepted rules and standards for preventing pollution of the marine environment;
- ...
- ...

2. In the event of a dispute over authority to deprive a party of its rights, the State Party or group of States Parties which the Organization intends to deprive of evaluation and exploitation rights shall retain those rights until the dispute has been settled in accordance with the procedure for the settlement of disputes as set forth in the articles of this Convention, except in cases where the continuation of such operations may lead to serious marine pollution, the destruction of the biological resources of the sea, or other serious detriment to the area of the sea bed or of the marine environment concerned or if, in the opinion of the United Nations Security Council, they constitute a threat to peace and international security.

Article 20. Structures and installations used for evaluation and exploitation

1. Fixed and movable structures may be assembled and installed for the purpose of evaluating and exploiting the resources of the sea bed.

2. The structures referred to in paragraph 1 of this article shall not be erected in straits and areas where they may interfere with international navigation along major shipping lanes or in areas of intensive commercial fishing operations. Safety zones, indicated by appropriate navigational markings, shall be established around these structures in order to ensure the safety of the structures themselves and of navigation.

3. The safety zones referred to in paragraph 2 of this article may extend to a distance of 500 m. around the structures that have been erected, this distance to be measured from each point on their perimeter. The shape and position of the safety zones in each area of the world's oceans shall be such that they do not together constitute a belt that bars the access of shipping to certain maritime zones or to the international shipping lanes which cross them.

4. Structures for the evaluation and exploitation of the resources of the sea bed shall be erected and installed by States Parties or by the International Sea-Bed Organization itself within the boundaries of sectors of the sea bed in which evaluation and exploitation activities are being undertaken. On completion of this work, such structures shall be dismantled and removed unless another State Party, to which the same sector has been assigned in accordance with the procedure laid down in these articles, acquires the structures for the purpose of evaluating and exploiting the resources of the sector in question.

5. Notification of the construction or installation of any underwater or above-water structures for the evaluation and exploitation of the resources of the sea bed, and also of the removal of such structures, shall immediately be given in the "Notices to Mariners" or communicated by other generally-recognized methods. Measures shall also be taken to maintain the means used to warn mariners of the presence of such structures.

6. The above-mentioned structures shall not have the status of islands and shall not have territorial waters, and their presence shall not affect the delimitation of territorial waters or the sea bed in accordance with article ... of this Convention.

7. The use, for any military purposes of structures and installations erected for the evaluation and exploitation of the resources of the sea bed shall be prohibited. In particular it shall be prohibited to use these structures and installations for the siting, storage and testing of any military and other equipment.

Article 21. Participation by experts from developing countries

Experts from developing countries which have no opportunity to engage in the evaluation and exploitation of the resources of the sea bed, and particularly experts from land-locked countries may, for the purpose of receiving training, participate in activities connected with the evaluation and exploitation of resources undertaken by any State Party or group of States Parties. The arrangements to be made for this purpose by States Parties and by the International Sea-Bed Organization, and specific conditions governing such participation, shall be set forth in the contracts.